

San Luis Obispo County Economic Forecast

San Luis Obispo's economy is based largely on tourism and education; as a result, services, government, and retail sales are the dominant industries in the County. The largest sector is the Services industry, contributing 26 percent of all wage and salary jobs in the County. The healthcare sector which supports the older aged population, is the largest sub-sector of the broader services industry.

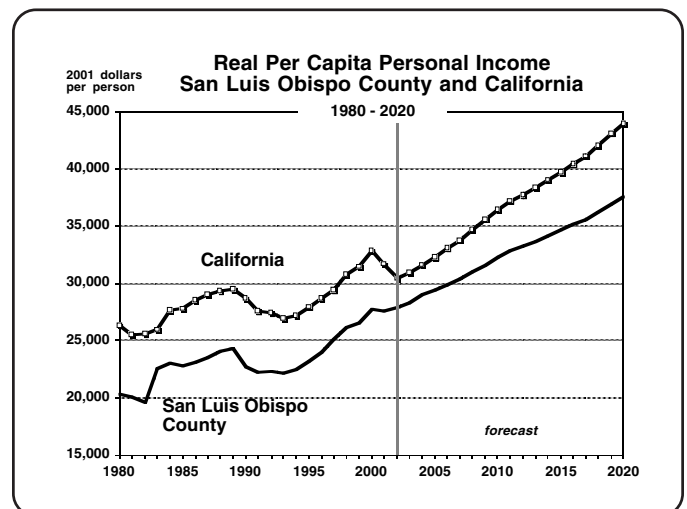
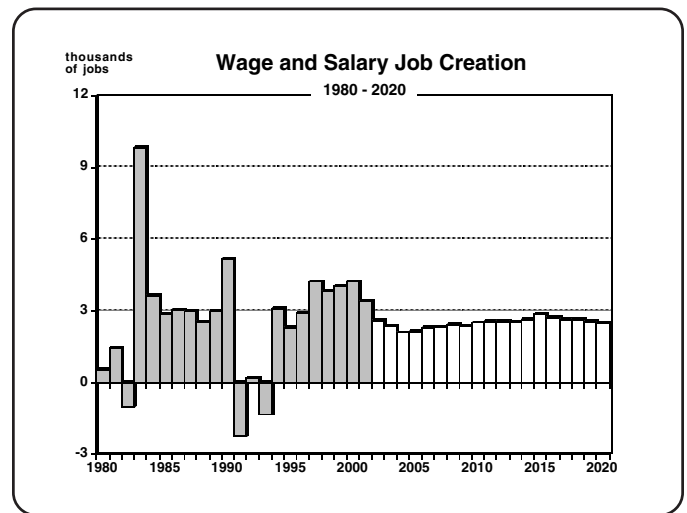
Tourism is important to the region and is expected to remain a strong asset in the county's economic growth. Hearst Castle is located in San Simeon, and attracts over 70,000 visitors annually. The booming wine industry in the Edna Valley and Paso Robles regions attracts an estimated 600,000 visitors each year.

Government, the second largest industry, account for 23 percent of all non-farm employment, with 23,300 jobs reported in 2002. Almost all government jobs in San Luis Obispo County are in the state and local government sector, including the K-12 schools, Cuesta College, and Cal Poly State University. Industry projections estimate that the state and local public sector will create 3,100 new jobs between 2002 and 2007.

The retail trade industry contributes 22.5 percent of the county's employment. Restaurants dominate the sector with nearly half of the retail trade employment. The tourism industry will remain an important contributor to the San Luis Obispo County economy, adding an estimated 2,500 jobs over the next 5 years.

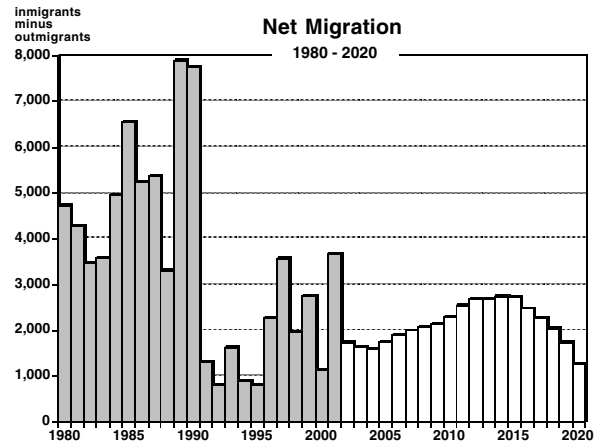
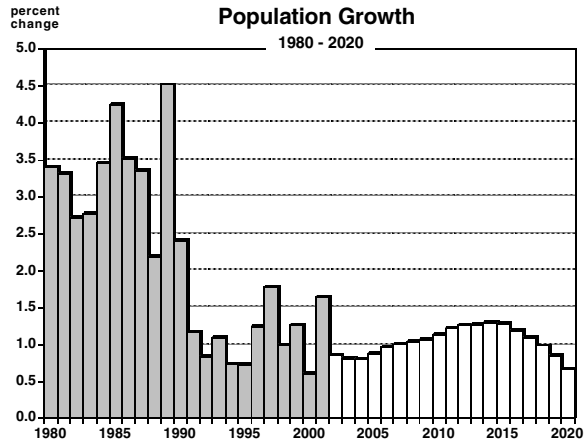
Forecast Highlights

- The county is forecast to create 13,000 new wage and salary jobs between 2002 and 2007. The forecast rate of job growth averages 2.1 percent per year.
- Real per capita income increases an average of 2.1 percent per year over the next 5 years. An affluent and growing retirement population is responsible for the solid gains in inflation-adjusted personal income during the decade.
- The unemployment rate rises to 3.5 percent this year (2002) but declines thereafter, remaining in the low 3 percent range over the foreseeable future.
- Population growth averages 0.90 percent per year between 2002 and 2007. The natural increase is the prin-



cipal engine of population growth. Net migration into the county remains positive, averaging 1,750 per year.

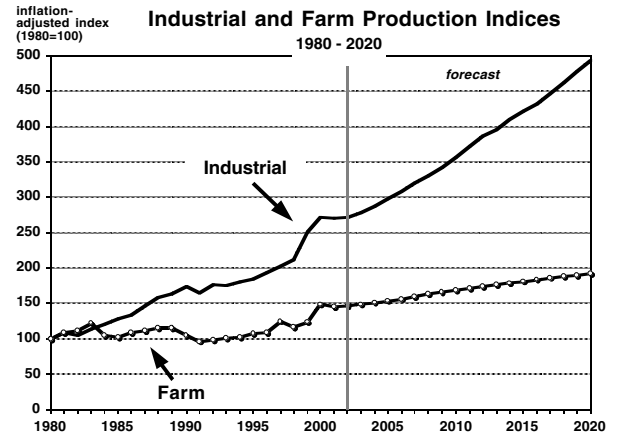
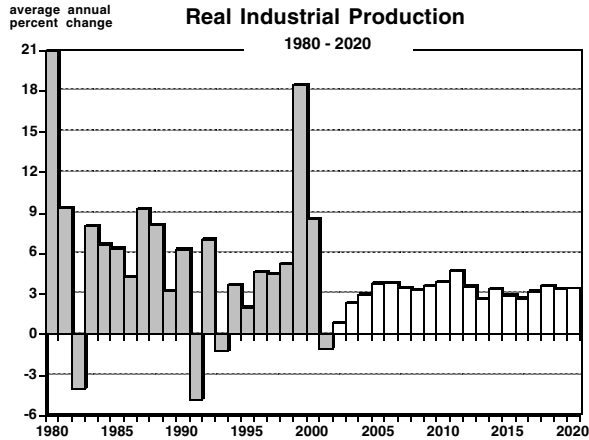
- Approximately 1,600 new homes are permitted each year over the next 5 years. That rate of building is not enough to keep housing prices from rising further throughout the county.
- The median home selling price (adjusted for general price inflation) is projected to increase from \$303,800 in 2002 to \$326,400 in 2007.



San Luis Obispo County Economic Forecast

1995-2001 History, 2002-2020 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (number)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	233,800	800	207	85	985	\$1.3	\$4.7	\$23,157	\$317	\$1
1996	236,700	2,282	220	86	1,176	\$1.4	\$5.0	\$23,919	\$326	\$1
1997	240,900	3,577	205	87	1,329	\$1.5	\$5.5	\$25,084	\$382	\$1
1998	243,300	1,951	220	88	1,730	\$1.6	\$5.8	\$26,156	\$359	\$1
1999	246,400	2,765	229	89	1,664	\$1.9	\$6.1	\$26,581	\$393	\$2
2000	247,900	1,123	244	92	1,650	\$2.1	\$6.6	\$27,694	\$488	\$2
2001	252,000	3,681	256	94	2,023	\$2.3	\$6.9	\$27,532	\$493	\$2
2002	254,156	1,728	259	96	1,627	\$2.4	\$7.3	\$27,918	\$512	\$2
2003	256,230	1,633	267	97	1,611	\$2.6	\$7.7	\$28,334	\$532	\$2
2004	258,283	1,586	274	99	1,510	\$2.7	\$8.1	\$28,974	\$555	\$2
2005	260,548	1,735	282	100	1,705	\$2.8	\$8.5	\$29,399	\$578	\$2
2006	263,047	1,894	290	102	1,580	\$3.0	\$8.9	\$29,904	\$600	\$2
2007	265,712	2,004	299	103	1,405	\$3.2	\$9.4	\$30,393	\$626	\$2
2008	268,496	2,085	308	105	1,290	\$3.3	\$9.9	\$31,009	\$656	\$2
2009	271,368	2,144	317	106	1,191	\$3.5	\$10.4	\$31,609	\$683	\$2
2010	274,433	2,303	326	107	1,148	\$3.7	\$11.0	\$32,271	\$712	\$2
2011	277,782	2,539	336	108	1,113	\$4.0	\$11.6	\$32,821	\$740	\$2
2012	281,317	2,666	346	109	1,271	\$4.2	\$12.2	\$33,214	\$768	\$3
2013	284,913	2,681	355	110	1,367	\$4.5	\$12.8	\$33,672	\$797	\$3
2014	288,624	2,753	365	111	1,436	\$4.7	\$13.5	\$34,121	\$828	\$3
2015	292,348	2,737	376	113	1,367	\$5.0	\$14.2	\$34,645	\$861	\$3
2016	295,798	2,470	387	114	1,384	\$5.3	\$14.9	\$35,155	\$894	\$3
2017	299,038	2,281	397	115	1,403	\$5.6	\$15.7	\$35,607	\$929	\$3
2018	302,008	2,052	406	117	1,478	\$6.0	\$16.5	\$36,200	\$962	\$3
2019	304,586	1,721	416	118	1,495	\$6.3	\$17.4	\$36,894	\$995	\$3
2020	306,643	1,272	425	119	1,508	\$6.6	\$18.2	\$37,577	\$1,028	\$3



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
80	3.0	3.6	0.1	6.3	4.3	20.4	4.4	19.2	18.6
83	3.9	3.8	0.1	6.7	4.4	20.6	4.2	19.9	19.3
87	4.8	4.1	0.1	6.8	4.5	21.0	4.4	20.9	20.3
91	4.6	4.5	0.1	7.3	4.5	21.9	4.7	21.9	21.2
95	4.3	5.3	0.1	7.4	4.8	23.2	4.9	23.2	21.6
99	4.8	5.9	0.2	7.5	4.8	24.4	4.9	24.2	22.4
102	5.3	6.5	0.2	7.6	4.7	25.0	4.9	25.2	22.9
105	5.3	6.7	0.2	7.5	4.7	25.8	4.9	26.2	23.7
107	5.3	7.0	0.2	7.5	4.7	26.5	4.9	26.9	24.4
109	5.4	7.1	0.2	7.6	4.8	27.1	4.9	27.6	24.9
112	5.5	7.2	0.2	7.7	4.8	27.6	4.9	28.2	25.6
114	5.5	7.4	0.2	7.8	4.8	28.2	4.9	28.9	26.2
116	5.6	7.4	0.2	8.0	4.9	28.8	4.9	29.6	26.9
119	5.7	7.4	0.2	8.2	4.9	29.4	5.0	30.4	27.5
121	5.9	7.4	0.2	8.3	4.9	29.9	5.0	31.2	28.1
124	6.0	7.5	0.2	8.5	5.0	30.5	5.1	32.0	28.8
126	6.1	7.5	0.2	8.7	5.0	31.2	5.2	32.6	29.7
129	6.1	7.5	0.2	8.9	5.0	31.8	5.3	33.2	30.6
131	6.2	7.4	0.2	9.0	5.1	32.4	5.4	33.8	31.6
134	6.3	7.4	0.2	9.2	5.1	32.9	5.6	34.4	32.7
137	6.4	7.4	0.2	9.4	5.1	33.5	5.7	35.1	33.8
139	6.5	7.5	0.2	9.5	5.1	34.1	5.8	35.7	34.9
142	6.6	7.5	0.2	9.7	5.2	34.7	5.9	36.3	35.9
145	6.6	7.5	0.2	9.9	5.2	35.3	5.9	37.0	37.0
147	6.7	7.5	0.2	10.1	5.2	35.8	6.0	37.6	38.1
150	6.8	7.5	0.2	10.3	5.3	36.4	5.9	38.2	39.2

